

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0135-04
Bill No.: HCS for HB 114
Subject: Veterans; Education, Higher; Licenses - Professional; Education, Elementary and Secondary; Licenses - Motor Vehicle
Type: Original
Date: March 20, 2013

Bill Summary: This proposal changes the laws relating to benefits for members of the military.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2014
General Revenue	\$1,444 or (Unknown - Could exceed \$100,000)	\$1,733	\$1,733
Total Estimated Net Effect on General Revenue Fund	\$1,444 or (Unknown - Could exceed \$100,000)	\$1,733	\$1,733

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Show Me Heroes*	\$0	\$0	\$0
VCCI Trust Fund	\$142,992	\$171,590	\$171,590
Universities	(Expected to be less than \$100,000)	(Expected to be less than \$100,000)	(Expected to be less than \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	Less than \$142,992	Less than \$171,590	Less than \$171,590

***Offsetting Transfers In and Disbursements are \$0 to (Unknown - Could exceed \$100,000 in FY 14)**

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	(Expected to be less than \$100,000)	(Expected to be less than \$100,000)	(Expected to be less than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

§41.213 - Creates the “Show Me Heroes Education Fund” dedicated to assist military personnel with tuition benefits.

Officials from **Linn State Technical College** state the fiscal impact is unknown for their institution.

Officials from the **Kansas City Metropolitan Community College** assume this proposal would have a positive fiscal impact on their college.

Officials from the **Department of Higher Education, Office of State Treasurer, Department of Public Safety - Missouri National Guard, Missouri State University, University of Central Missouri**, and the **University of Missouri System** each assume this section of the proposal would not fiscally impact their respective agencies.

Oversight assumes this proposal is a temporary program created cover a tuition shortfall to military personnel caused by cuts due to sequestration. Oversight assumes no additional students or tuition revenue to colleges and universities.

§§42.170; 42.200; 42.220 - Authorizes the issuance of a military medallion, medal, and certificate to certain veterans who served in specified conflicts regardless of whether they are or ever were legal Missouri residents.

Officials from the **Department of Public Safety - Office of the Adjutant General** state it is anticipated that the fiscal impact will be minimal and current funding is adequate to support.

§167.020 - Allows children of active duty military members who are deployed to attend the school district in which the family member’s residence or family support community where they are living is located.

Officials from the **Department of Elementary and Secondary Education** state this section will have no fiscal impact on their agency or on school districts.

Officials from the **Parkway School District** stated this proposal would have no fiscal impact on their school district.

ASSUMPTION (continued)

Officials from the **Missouri National Guard** indicated this section of the proposal would have no fiscal impact.

§301.020 - Allows a motor vehicle registration applicant to make a \$1 donation, at the time of application, to the National World War 1 Museum at the Liberty Memorial in Kansas City.

Officials from the **Department of Revenue (DOR)** state the following procedures will need to be revised to provide for the changes in this section of the proposal:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,206 in FY 14.
- The Application for Missouri Title and License (DOR-108) will need to be revised to include an optional donation to the National World War I Museum. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,206 in FY 14.
- The Application for Motor Vehicle License (DOR-184) will need to be revised to include an optional donation to the National World War I Museum. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,206 in FY 14.
- The motor vehicle renewal notice will need to be updated to include an optional \$1 donation to the National World War I Museum. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$325 in FY 14.
- The DOR website will need to be updated to include information on the optional donation to the National World War I Museum. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$325 in FY 14.
- Require programming to allow for the collection of the donation and the correct distribution. The IT portion of the fiscal impact is estimated with a level of effort valued at \$9,413 calculated on 348 FTE hours.

In summary, DOR assumes a cost of \$13,681 ($\$1,206 + \$1,206 + \$1,206 + \$325 + \$325 + \$9,413$) in FY 2014 to provide for the implementation of the changes in this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request

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ASSUMPTION (continued)

funding through the appropriation process.

Currently, §301.020, RSMo, allows for the optional donations at the time of motor vehicle registration for the following funds with the following amounts collected in FY 12:

\$1 Blindness Education	\$155,291
\$1 Organ Donor	\$191,354

Based on an average of the two optional \$1 donations DOR currently collects, DOR is assuming the following potential collections for the National World War I Museum at Liberty Memorial, of which DOR may retain no more than 1% for administrative costs, resulting in the following:

	<u>FY 14 (10 Months)</u>	<u>FY 15</u>	<u>FY 16</u>
Total collections:	\$144,436	\$173,323	\$173,323
1% DOR (General Revenue):	<u>(\$1,444)</u>	<u>(\$1,733)</u>	<u>(\$1,733)</u>
National WWI:	\$142,992	\$171,590	\$171,590

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume the proposal will have no fiscal impact on their organization.

Officials from the **Missouri Veterans Commission** state the fiscal impact to their organization is unknown.

§§192.360 and 324.007 - Professional licensing boards must consider military qualifications when considering licensing.

According to officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)**, the proposed legislation has an unknown cost to DIFP, contingent on board staff and board members' ability to convert education/training into compliance with licensure/examination requirements. Examination requirements for some boards are set by national testing companies.

Oversight assumes DIFP would be able to comply with the provisions of this proposal with

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ASSUMPTION (continued)

existing resources. If additional resources are needed, DIFP can request them through the appropriations process.

§173.1158 - Requires higher education institutions to accept credits for military courses.

Officials from **Linn State Technical College** assume an unknown fiscal impact on their college.

Officials from the **University of Central Missouri** estimate fiscal impact of no more than \$45,000 annually, and that only in the event the number of students who are veterans are a significant number that would require an additional staff member (salary plus benefits) to examine course equivalencies.

Northwest Missouri State University officials assume there will be a fiscal impact; however, cannot quantify or project the impact without knowing the exact number of military members who will enroll as a result of this legislation.

Officials from **St. Charles Community College** anticipate an unknown cost to evaluate military records.

Officials from **Missouri Southern University** state an indeterminate fiscal impact at this time.

Oversight assumes, based on the responses from colleges and universities, that the cumulative fiscal impact of this proposal would be less than \$100,000 per year, beginning with the 2014-2015 academic year.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriations process.

Officials from the **Department of Higher Education, Department of Public Safety - Missouri National Guard** and the **Missouri Veterans Commission, Department of Health and Senior Services, Joint Committee on Administrative Rules, Kansas City Metropolitan Community College, University of Missouri System, and Missouri State University** each assume this part of the proposal would not fiscally impact their respective agencies and institutions.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Revenue</u> - Department of Revenue (DOR)			
§301.020 - 1% of Donation for administrative fees	\$1,444	\$1,733	\$1,733
Transfer Out - Adjutant General	\$0 or (Unknown		
§41.213 - Tuition assistance	- Could exceed		
	<u>\$100,000)*</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$1,444 or (Unknown - Could exceed <u>\$100,000)</u>	<u>\$1,733</u>	<u>\$1,733</u>

* 12 Months

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2014 (10 Mo.)	FY 2015	FY 2016
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SHOW ME HEROES EDUCATION FUND

<u>Transfer In</u> - General Revenue	\$0 or (Unknown		
§41.213 - Tuition assistance	- Could exceed		
	\$100,000)*	\$0	\$0
<u>Disbursements</u> - Military personnel	\$0 or (Unknown		
§41.213 - Tuition assistance	- Could exceed		
	<u>\$100,000)*</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON SHOW ME HEROES EDUCATION	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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* 12 Months

UNIVERSITIES

<u>Costs</u> - Universities	(Expected to be	(Expected to be	(Expected to be
§173.1158 - Course evaluation	less than	less than	less than
	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>

ESTIMATED NET EFFECT ON UNIVERSITIES	(Expected to be less than <u>\$100,000)</u>	(Expected to be less than <u>\$100,000)</u>	(Expected to be less than <u>\$100,000)</u>
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**VETERANS COMMISSION
CAPITAL IMPROVEMENT TRUST
FUND**

<u>Revenue</u> - DOR			
§301.020 - \$1 Donation	<u>\$142,992</u>	<u>\$171,590</u>	<u>\$171,590</u>

ESTIMATED NET EFFECT TO THE VETERANS COMMISSION CAPITAL IMPROVEMENT TRUST FUND	<u>\$142,992</u>	<u>\$171,590</u>	<u>\$171,590</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs - Community Colleges</u>	(Expected to be	(Expected to be	(Expected to be
§173.1158 - Course evaluation	less than	less than	less than
	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Expected to be less than <u>\$100,000)</u>	(Expected to be less than <u>\$100,000)</u>	(Expected to be less than <u>\$100,000)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§41.213 - This section of the proposal creates the “Show Me Heroes Education Fund” dedicated to assist military personnel with tuition benefits. Moneys in the fund shall be used solely to provide and manage tuition assistance to qualified military personnel.

This section has an emergency clause and a one year sunset.

§301.020 - This section of the proposal allows a motor vehicle registration applicant to make a \$1 donation, at the time of application, to the National World War 1 Museum at the Liberty Memorial in Kansas City.

§173.1158 - This section requires higher education institutions to accept credits for military courses.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety

Missouri National Guard
Missouri Veterans Commission
Office of the Adjutant General
Missouri State Highway Patrol

Department of Revenue

Department of Higher Education

Department of Elementary and Secondary Education

Department of Insurance, Finance and Professional Registration

Department of Health and Senior Services

Joint Committee on Administrative Rules

Office of Secretary of State

Administrative Rules Division

Office of Secretary of State

School Districts

Parkway

Special School District of St. Louis County

Colleges and Universities

University of Central Missouri

Kansas City Metropolitan Community College

Northwest Missouri State University

Linn State Technical College

Missouri State University

University of Missouri System



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